GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:913
ANSWERED ON:27.07.2001
FDI IN AIRPORT, TOWNSHIP AND TOURISM SECTOR
RAMPAL SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the Government have taken a decision to accord its approval for cent percent foreign investment in airport, township, courier service and tourism sector;

(b) if so, the details therefor; and

(c) the time by which the above decision is likely to come into effect?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) : Yes, Sir.

(b) & (c): Government, vide Press Note No.4 (2001 Series) dated 21.5.2001, has permitted the following:

i. FDI up to 100% in airports, with FDI above 74% requiring prior approval of the Government.

ii. FDI up to 100% for development of integrated townships, including housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities such as roads and bridges, mass rapid transit systems; and manufacture of building materials. Development of land and providing allied infrastructure will form an integral part of township`s development, for which necessary guidelines/ norms relating to minimum capitalisation, minimum land area, etc., will be notified separately by the Government. FDI in this sector would be permissible with prior Government approval.

iii. FDI up to 100% in courier services subject to existing laws and exclusion of activity relating to distribution of letters.FDI in this sector would be permissible with prior Government approval.

iv. FDI up to 100% on the automatic route in hotel and tourism sector.

The above policy has come into force with effect from 21.5.2001, the date of issue of Press Note No.4 (2001 Series).